LIFE INSURANCE PRODUCTS AND PERCEPTION: A SYSTEMATIC LITERATURE REVIEW

Ms. DHANI MURMU
RESEARCH SCHOLAR IN COMMERCE,
DEPARTMENT OF COMMERCE
RAVENSHAW UNIVERSITY,
CUTTACK, ODISHA, INDIA-753003

ABSTRACT

The present study is based on the perception of the policy holders towards life insurance products. In the post Covid period people are more concern about their safety of health and life. This leads to more demand for insurance product in general and life insurance product in particular in this region. Insurance penetration is also growing with more completion among the players in insurance sector. Over the period more innovation is taking place with insurance products. This leads to improvement in awareness about the insurance products and brings more competition in the insurance industry. The present study has undertaken with objective to determine the existing research gap in the perception of policy-holders towards the products of Life Insurance Corporation India. The research is based on secondary data. The systematic literature review method is used in the determination of research gap on the policy holder's perception towards LICI products.

Key Words: Perception, Policyholders, Insurance products, LICI,Post Covid Period

INTRODUCTION

The Indian financial sector is fundamentally robust, operationally diverse, and demonstrates competence and adaptability, in addition to being responsive to India's economic goals of establishing a market-oriented, industrious, and viable economy. The emergence of new financial technologies and the expansion of insurance outsourcing services produce highly competitive market conditions that have a significant impact on customer behaviour. As a result, it is critical for the insurance industry to better understand its consumers' attitudes toward technology in general in order to maximise customer satisfaction when utilising online insurance.

The Insurance Regulatory and Development Authority, an autonomous insurance regulator set up in 2000, has extensive powers to oversee the insurance business and regulate in a manner that will safeguard the interests of the insured. Insurance is a federal subject in India. There are two legislations that govern the sector- The Insurance Act-1938 and the IRDAAct1999. The insurance sector in India has come a full circle from being an open competitive market to nationalization and back to a liberalized market again.

Life insurance is commonly recognised as an institution that eliminates "risk," substituting certainty for uncertainty, and comes to the help of the family in the tragic event of the breadwinner's death. The life insurance sector has been focused on quality, and several beneficial actions have been made in this industry to improve service quality, but there has not been enough research work done on quality in life insurance in India.

The life insurance sector has been focused on quality, and several beneficial actions have been made in this industry to improve service quality, but there has not been enough research work done on quality in life insurance in India. In this regard, the industry appears to be a hermit. There are currently twenty-three firms in the Indian life insurance sector, with Life Insurance Corporation being one of the top public companies, holding the biggest number of policies in the world to meet an individual's various financial needs.

Customers' expectations continue to rise as their options expand and their awareness grows, and they demand higher-quality service.As a result, for Life Insurance Corporation of India to remain competitive, service quality has become a vital component of competitiveness. However, a number of studies have been undertaken by academics around the world. Some of these studies will be summarised here.

Insurance is defined as a cooperative system for sharing the damage produced by a given risk across a group of persons who have agreed to insure themselves against it. It is a promise to perform in the future in exchange for money now. This type of commitment is made when the consumer has no way of knowing whether or not the promise will be maintained if and when the need arises. In India, LIC offers a comprehensive range of products to fulfil the demands of various sectors of the population.

REVIEW OF LITERATURE

(Sadhak,2006) analysed that life insurance gives support to the capital market, and data on Indian life insurance and macroeconomic variables show a close association and interaction between macroeconomic variables and life insurance demand.

(Vijayalakshmi and Keerth, 2007) remarked that in today's liberalised atmosphere, insurance companies operate in a fiercely competitive market. In recent years, the level of competition among private and public insurance providers has increased. Insurance companies (LIC) that focus on the efficient and effective delivery of services to policyholders will achieve their business aim of expanding insurance coverage, profit, and market value and share.

(Athma and J Ravi Kumar, 2007) study on 'the Insurance Purchase Decision Making: and the Influence of Product and Non-Product Factors' found that, while the quality of service is the main influencing factor in the finance market, product attributes are the main factors that influence the success of insurance companies in the insurance market. The study discovered that both product and non-product features were relevant in policy selection, although they were valued differently.

(McGinn, Kate, 2008) study on the significance of insurance coverage in the middle of the US economic crisis Factors influencing business clients to get general insurance and insurance coverage are more relevant when buying insurance.

(Siddiqui, 2009) has endeavoured to shed light on the current state of the life insurance market in India, as well as other economic metrics pertaining to all life insurance companies operating in India. He stated that the life insurance sector in India had more than doubled since the founding of IRDA.

(Siddiqui, 2010) Examine the impact of the suggested service quality instrument on customer satisfaction. The paper seeks to present a road map for a suitable course of action in order to build a foundation of satisfied consumers through quality services. The study also found that service quality factors influence consumer satisfaction with agents, functional services, and the organisation, which in turn influences overall satisfaction. In practise, this means that improving service quality enhances satisfaction with agents, functional services, and the organisation, all of which improve total consumer happiness with life insurance services.

(Sharma.G. T.,2010), It confirms the need to tailor research techniques of determining service quality attributes, developed in the West to the context of Indian life insurance.the research further shows that service quality dimensions influence customer satisfaction with agents, functional services and with company, which, in turn, has an impact on overall satisfaction.Although this study focuses on life insurance industry in India, however, the results and recommendations of this article can be used for service quality improvements and consequently improving customer satisfaction of life insurance industries of other countries as well.

(Sandhu, 2011) The current study uses a framework to assess customers' perceptions of the quality-of-life insurance services. The current study intends to use a framework to assess customers' perceptions of the quality-of-life insurance services. A recommended approach was utilised to build, enhance, and validate a scale. Data was collected from 337 clients in three Punjab cities (a progressive State of India). Furthermore, the study looks into the relationship between each of the developed service quality dimensions and the overall evaluation of life insurance service quality by customers. It demonstrates that three of these seven characteristics, namely proficiency, physical and ethical perfection, and functionality, have a considerable impact on Life Insurance Corporation of India's overall service quality.

(Ghosh Amlan, 2011) examined the association between life insurance sector reforms in India and post-reform life business growth was deduced. It demonstrates that the relationship between insurance sector reforms and the development of India's life insurance business is bidirectional. It is owing to the enormous potential of the life insurance business.

(Sandhu and Nagpal, 2011) The researchers concluded in their study "Measuring Life Insurance Service Quality: An Empirical Assessment of the SERVQUAL Instrument" that the SERVQUAL instrument is not applicable to the Indian life insurance sector; therefore, more research is needed to understand and improve life insurance service quality in India.

(Bala and Sandhu, 2011) According to the study "Customers' Perceptions of Life Insurance Corporation of India's Service Quality: A Factor Analytic Approach," seven factors have a substantial impact on customers' perceptions of Life Insurance Corporation of India's service quality. The most critical factor impacting clients' perceptions of the quality of life insurance services is proficiency.

(Madan, 2012) In his study "Comparison of Customers Perception with Regard to Service Quality in Public and Private Insurance Companies Using SERVQUAL," he concluded that because the government of India has opened the insurance sector to private sector competition, companies want to differentiate themselves from competitors and stay ahead in the race.

(Arun et al., 2012) The number of children or dependents in the home is strongly connected with enrolment in micro life insurance, indicating a possible bequest motive. They also discovered that financially better-off households participate in micro-life insurance at a higher rate than their poorer counterparts.

(M.Selva Kumar and J Vimal Priyan, 2012) concluded that LIC continues to dominate insurance sector. Private sector insurance companies also tried to increase their market share. Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time. The study compared premium, policies and market shares of companies.

Ulbinaite et al. (2013) demonstrated that demographic and socioeconomic factors had a considerable impact on life insurance purchasing decisions in Lithuania. They discovered that families without children evaluate a wide range of considerations when selecting a life insurance policy, but families with children consider only a few factors.

(Kalani, Salunkhe and Ahirrao, 2013) examined claim settlement ratio of LIC with other insurance companies in India. Study observed that there are cases of frauds in claim settlement that may happened but if the policyholder uses proper precautions he will prevent himself from fraud. LIC of India provides better corporate services for settling the customers claim. D-mat may improve transparency and efficiency of the claim settlement. Authors studied comparison of claim settlement ratio of LIC with other life insurance industry and survey of policyholders and opinion regarding claim settlement.

(Newar, 2013) found that the insurance industry's overall growth has been good Global firms have expressed interest in India's massive market. The insurance industry has enormous growth potential. Many foreign studies predict that the insurance sector in India would increase by more than 125% over the next ten years.

(Farokhian.S.,Vazifehdus.H., 2013)examined elements affecting the insurance sector have been clarified. The initial report, which employed the Servqual model, described customer satisfaction and other measurements and determinants in insurance company performance (service quality factors). Finally, access, customer response time, and confidence in customer satisfaction were selected as the most critical variables, and the most crucial indicators of performance in the insurance industry were identified as knowing the customer, credit, insurance, and customer relationship.

(Yadav and Mohania, 2013)the study entitled claim settlement of life insurance policies in insurance services with special reference of Life Insurance Corporation of India. The authors concentrated on the management framework of LIC for claim settlement; the effects of claim settlement on the sale of life insurance policies by LIC of India; the claim settlement process followed by LIC of India; customer awareness of claim settlement; and an analysis of the quality of service provided by LIC of India for claim settlement.

(Piyali Chandra Khan and Mitra, 2014) stated the overall status of LICI was determined to be pretty excellent, with profit after tax increasing by 270% over the last 12 years. It had a healthy cash position. The company's current assets were sufficient to cover its current liabilities. This suggests that LICI is capable of earning a greater return in this competitive environment.

(Kuhlemeyer, A. G., and Allen, H.G., 2014) Examine consumer happiness in the purchase of life insurance products and compare it to satisfaction in a broker or agent-assisted transaction to satisfaction in a direct placement transaction without the involvement of a broker or agent. Consumer satisfaction with life insurance policies, providers, and institutions is measured against standards. According to the survey, characteristics such as confidence, competence, and product suitability influence consumer satisfaction.

(Koranne & Suneeta, 2014) investigates the link between service quality and consumer satisfaction Primary data responses were analysed using factor analysis. The association between Service Quality and Customer Satisfaction in the life insurance industry was tested using multiple regressions. According to the findings of the study, consumer expectations and perceptions of the tangibility, assurance, competency, and credibility dimensions of service quality have a greater impact on customer satisfaction. The survey also found that customers are more aware of remarks connected to these dimensions.

(Rao, 2015) Life insurance has grown considerably in terms of new business policies and premium business since 2000. The main drivers include good economic foundations, a growing middle-income class, a better regulatory framework, and increased risk awareness.

(Sharma, 2016) attempts to find out the determinants of Customers perception towards Life Insurance Investment decision. This research is focused on customer's belonging different demographic levels. The validity, reliability and explanatory factor analysis tests are applied to make the study more effective and reliable. Finally the significance of the results has been tested applying independent t-test and one way anova test.

(Gajenderan, 2016)investigates user perceptions of internet insurance The study also attempts to determine whether the variables driving customers to acquire online insurance goods and the level of satisfaction with online insurance products. The researchers discovered that factors influence customers to purchase online insurance goods, and customers are completely happy with the online insurance products provided by insurers.

(Subashini R., 2016) examined that service quality and customer satisfaction in banks can be explored further to determine what approach banks use for different service quality and customer satisfaction over a sample period. Despite the fact that a number of studies have discovered inconsistencies in service quality

and customer satisfaction and have attributed variousexplanations for service quality and customer satisfaction of foreign and public banks, no study has been able to resolve this problem.

(Panigrahi & Azizan, 2018) Identify the important SERVQUAL criteria for consumer purchase intention in the context of life insurance products in Malaysia in their paper. We used descriptive statistics as well as exploratory and confirmatory factor analysis. The findings demonstrated that customer satisfaction and trust, in conjunction with SERVQUAL variables, influence purchase intent. In contrast, this article demonstrates that life insurance agents with problem-solving skills and helpfulness enhance consumers' intent to purchase life insurance products. The validation of the framework makes it clear that all quality functions must be aligned with expanding competitive advantage as well as organisational objectives.

Dr.T.Unnamalai (2018) has anlalysed the customer satisfaction and customer awareness about service rendered by the Life insurance corporation. Life insurance corporation of India competes other plays in the market very aggressively with their human resource of agents because the police holders are having more faith with agents.

(Arora & Sharma, 2019) tries to find out the various factors that effect the perception of investors, CFA technique is used to identify the factors. In Life Insurance there are so many factors which affect customer's investment decision and it has been concluded by the study that demographic factors of the people play a major and critical role in deciding the purchase of life insurance policies. Other identified factors are influence by others, claim settlement, medical benefits, bonus rates etc.

(Patel, n.d. 2019) examines factors influencing life insurance investors' investment decisions The goals of this research are to identify the many elements influencing investors' life insurance investment decisions and to assess investors' preferences while making life insurance investment decisions. According to the study, agents/advisers, personal interests, present health and family and friends, and form of premium payment are the elements influencing investors' investment decisions in life insurance. Policyholders select an insurance firm for the money-back promise and greater risk coverage.

(Singh, 2020)A comparison of the service quality of public and private life insurance companies has been attempted. The analysis clearly shows that the public sector company (LIC) has a good track record of providing people with life insurance. Customers have more faith in LIC than in private sector enterprises. Return on investment in private and public enterprises differs dramatically. The majority of respondents believed that public life insurance is more dependable than private life insurance.

(Rajinikanth, 2021) In their study, they look at how customers feel about life insurance businesses in Kumbakonam. This study's major purpose is to measure consumer satisfaction with LIC. To evaluate the characteristics that influence customer satisfaction with LIC, the data was analysed using percentages and the chi-square test. Despite the high level of competition in the market, the general public sector LIC leads the Indian insurance industry, according to the study. According to the report, practically all of the respondents are aware of the Life Insurance Corporation of India.

RESEARCH GAP:

Research Gaps in the existing studies shows that there is a need to make a fresh attempt to study the policy holder's behaviour towards life insurance products across the sector. The concepts and practices pertaining to life insurance sector is dynamic and very fast changing. It is the sunrise sector for growth in Indian economy and hence it requires an urgent attention for development and to increase the insurance density in India. In the prevailing situation, there is fierce competition among the Indian life insurance companies, but it should be customer centric to retain old customer and attract new customer. Thus the current practices of business require a re-look the policy holder's behaviour towards life insurance products in order to develop the new business practices for overall development of the industry as well as the Indian economy.

REFERENCES

1) H. Sadhak (March 18, 2006) "Life Insurance and the Macro Economy Indian Experience", Economic and Political Weekly, XLI(11), pp. 1108-1112.

2) R. Vijayalakshmi and P.A. Keerthi (July – December 2007). "The Service Quality of LIC as Expected and Perceived By Its Policy Holders", Journal of Contemporary Research in Management, 2(1), pp. 73-76.

3) Prashanta Athma and J Ravi Kumar (2007) in a study titled "An Explorative Study of Life Insurance Purchase Decision Making: Influence of Product and Non-Product Factors", ICFAI journal of Risk & Insuranc - October.

4) McGinn, Kate (2008),"Risky Recession." , Waste Age; Nov, Vol. 39 Issue 11, p26- 28

5) Saif Siddiqui (February 8, 2009). "Indian Life Insurance Sector: An Overview" SSRN: http://ssrn.com/abstract=1339447.

6) Neetu Bala, H.S Sandhu and Naresh Nagpal (October 2011). "Measuring Life Insurance Service Quality: An Empirical Assessment of SERVQUAL Instrument", International Business Research, 4(4), pp. 177-190,

7) Ghosh Amlan (2011) Impact of reforms on Indian life insurance, The Indian Journal of Commerce, Vol 64(4): pp 86-96, ISSN 0019-512X.

8) M.Selva Kumar and Vimal Priyan(2012)A comparative study of public and private life Insurance companies in India,The Indian Journal of commerce,Vol.65(1),Jan-Mar 2012,pp81-87,ISSN 0019-512X.

9) Kalani, Salunkhe and Ahirrao (2013) Comparative study of claim settlement ratio of LIC with other insurance companies in India, Indian Journal of Applied Research , Vol 3(5), May 2014, ISSN 2249-555X, pp 389-391

10) Yadav and Mohania (2013) Claim settlement of life insurance policies in insurance services with special reference of Life Insurance Corporation of India, Indian Journal of Economics and Development , Vol 1(1), Jan 2013, ISSN: 2320-9836 pp 29-37

11) Piyali Chandra Khan and Mitra D(2014) Liquidity risk assessment of Life insurance corporation of India, The Indian Journal of Commerce, Vol 67(2), Apr-June 2014, pp 55- 63, ISSN 0019-512X

12) Neetu Bala and H.S Sandhu (October 2011). "Customers' Perception towards Service Quality of Life Insurance Corporation of India: A Factor Analytic Approach", International Journal of Business and Social Science, 2(18), pp. 219-227.

13) Farokhian. S., Vazifehdus, H., (2013), "Factors influencing customer satisfaction with success factors identified in the insurance industry", ISSN 1993- 8233, Academic Journals Vol.7(21)., pp.2026-2032. Kuhlemeyer, A.G. Allen, H.G.,(2014), "Consumer Satisfaction with Life insurance: A bendmarking survey", Journal of Financial Counseling and planning

14) Manish Madan (July – December, 2012). "Comparison of Customers Perception with Regard to Service Quality in Public and Private Insurance Companies using SERVQUAL", Delhi Business Review, 13(2), pp. 55-66.

15) Leela Ram Newar (January 2013). "Understanding Reforms in the Life Insurance Sector of India", International Journal of Computer Application in Engineering Services, III (special issue), pp. 18-23.

16) K. Sudhakara Rao (April-June, 2015) "Life Insurance Sector in India; Opportunities and Challenges", International Journal of Academic Research, 2(2(3)), pp. 118-127.

17) Arun, T., Bendig, M., &Arun, S. (2012). Bequest motives and determinants of micro life insurance in Sri Lanka.World Development, 40(8), 1700-1711

18) Arora, M. K., & Sharma, G. (2019). FACTORS AFFECTING THE PERCEPTIONS OF. 1(1), 48–55.

19) Gajenderan, V. (2021). A Study on Customer Perception towards the Online Insurace A Study on Customer Perception towards the Online Insurance Products in Chennai City. January 2020.

20) Koranne, S., & Suneeta, B. (2014). Conceptual study of relationship between service quality and customer satisfaction. International Research Journal of Social Sciences, 3(2), 9–14.

21) Panigrahi, S. K., & Azizan, N. A. (2018). Investigating the Empirical Relationship Between Service Quality, Trust, Satisfaction, and Intention of Customers Purchasing Life Insurance Products. February. https://doi.org/10.17010/ijom/2018/v48/i1/120734

22) Patel. (n.d.). ISSN : 2278-6236 A STUDY ON FACTORS AFFECTING INVESTMENT DECISION OF INVESTORS IN LIFE INSURANCE ISSN : 2278-6236. 8(4), 44–51.

23) Rajinikanth, V. (2021). A STUDY ON CUSTOMER PERCEPTION TOWARDS LIFE INSURANCE CORPORATION OF INDIA (WITH SPECIAL REFERENCE TO KUMBAKONAM. 9(1), 1265–1269.

24) Sandhu, H. S. (2011). Customers ' Perception towards Service Quality of Life Insurance Corporation of India : A Factor Analytic Approach. 2(18), 219–231.

25) Siddiqui. (2010). Analyzing customer satisfaction with service quality in life insurance services. Journal of Targeting, Measurement and Analysis for Marketing Vol. 18, 3/4, 221–238, 18(September), 221–238. https://doi.org/10.1057/jt.2010.17.

26) Siddiqui. H. M., Sharma.G. T. ,(2010), "Analyzing customer satisfaction with service quality in Life Insurance Services ", Journal of Targeting, Measurement and Analysis for Marketing 18, 221– 238. doi:1 0.1057/jt.2010.17,

27) Subashini R., (2016), "A review of service quality and customer satisfaction in banking services: Global

Scenario", Journal of Internet banking and Commerce, 21, S5.

28) Singh, M. (2020). CUSTOMER ' S PERCEPTIONS ABOUT LIFE INSURANCE SERVICE PROVIDER COMPANIES : AN EMPIRICAL EVIDENCE. 07(01), 1690–1700.

29) Ulbinaite, A., Kucinskiene, M., & Le Moullec, Y. (2013). Determinants of insurance purchase decision making in Lithuania. Inzinerine Ekonomika, 24(2), 144-159.

30) Dr.T.Unnamalai and V. Rajinikanth, (Jan-2018) Customer Satisfaction and awareness on Life insurance Corporation of India (with special reference to Thanjavur District), Pg: 198-205, IJECR.